



DEPARTMENT OF
ECOLOGY
State of Washington

Clean Air Rule

OUR PRESENTATION WILL BEGIN SHORTLY

ALL LINES ARE MUTED

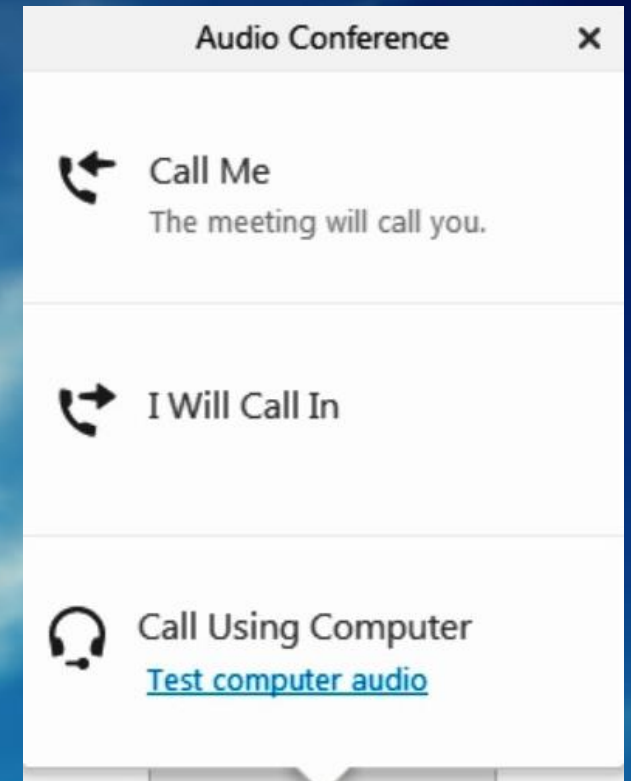
Clean Air Rule Webinar will begin shortly

2

Connecting to Audio: 3 Options

Phone

- Select call me
- Enter your phone number
- You will be called
- Call in
- Or, use your computer to connect.
- We will conduct a couple of sound checks before our webinar begins.
- If you do not hear any periodic sound checks, please let us know in the chat box or email aqcomments@ecy.wa.gov





DEPARTMENT OF
ECOLOGY
State of Washington

Clean Air Rule

WASHINGTON STATE DEPARTMENT OF ECOLOGY

JUNE 23, 2016

FACILITATOR: CAMILLE ST. ONGE

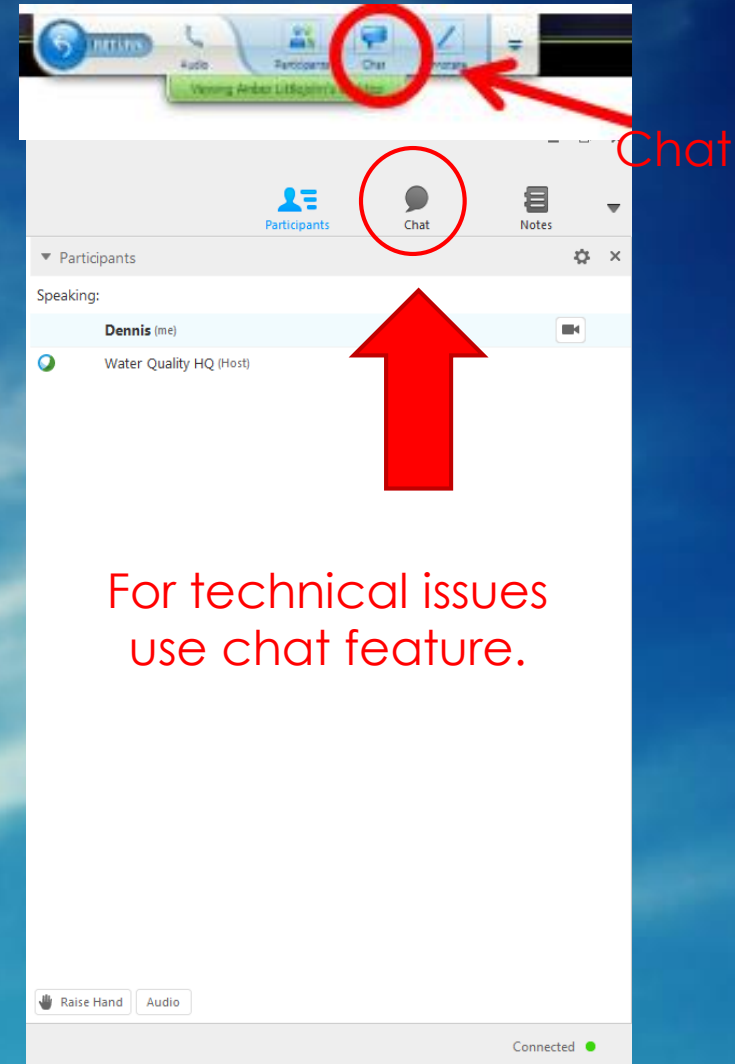
MODERATORS: TIM LEWIS | LISA KEAN

SARAH REES | STU CLARK | BILL DRUMHELLER | NEIL CAUDILL

Camille St. Onge, Tim Lewis, Lisa Kean

For technical assistance
use Chat

- Webinar is being recorded.
- Only use chat feature for technical issues.
- The raise hand feature will be used for taking questions.

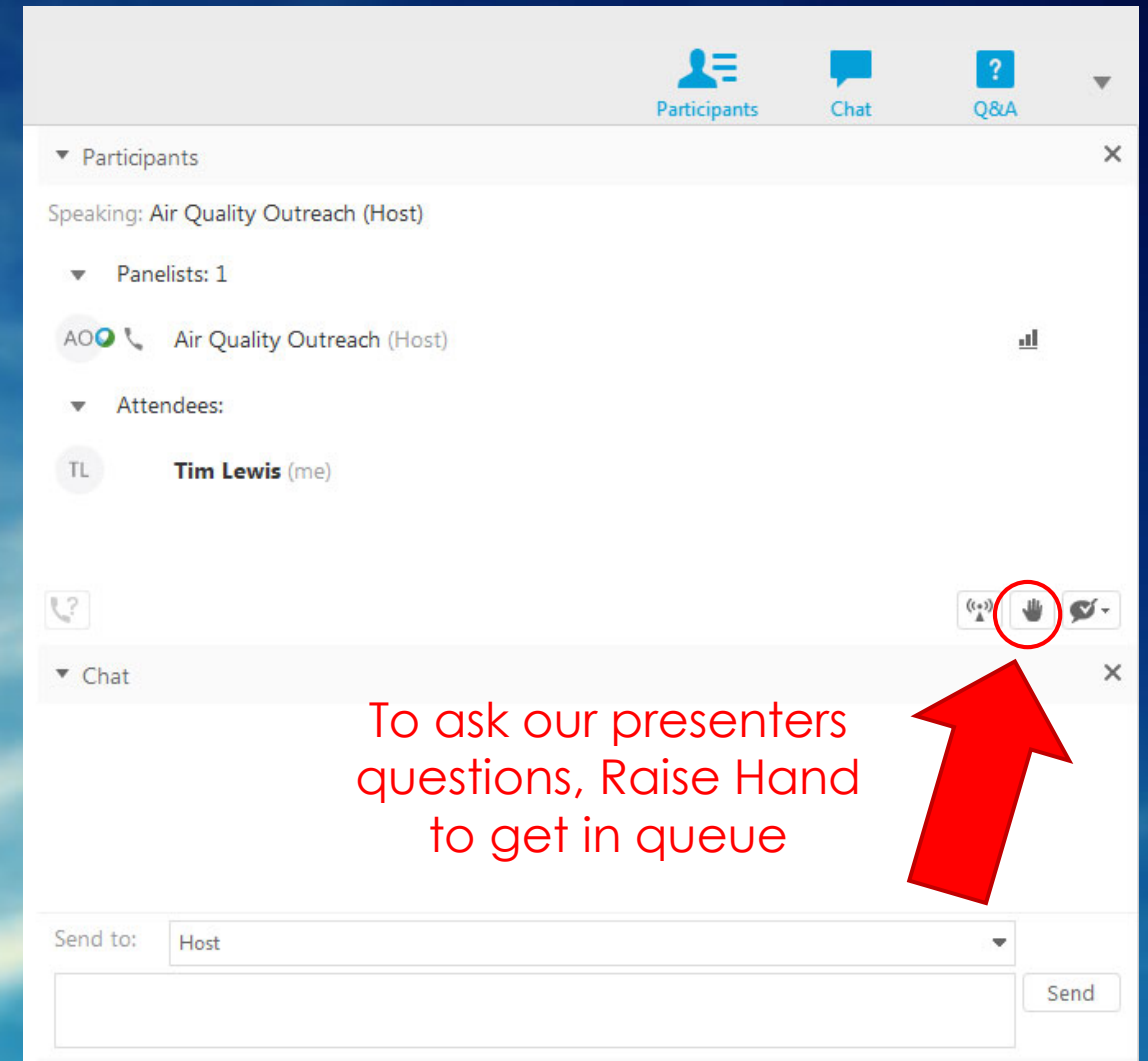


For technical issues
use chat feature.

Agenda

- ▶ Purpose of the rule
- ▶ Timeline of rulemaking
- ▶ Overview of rule
- ▶ Compliance
- ▶ Reserve
- ▶ Energy-intensive, trade-exposed industries
- ▶ Power sector
- ▶ Hearing dates
- ▶ Q&A

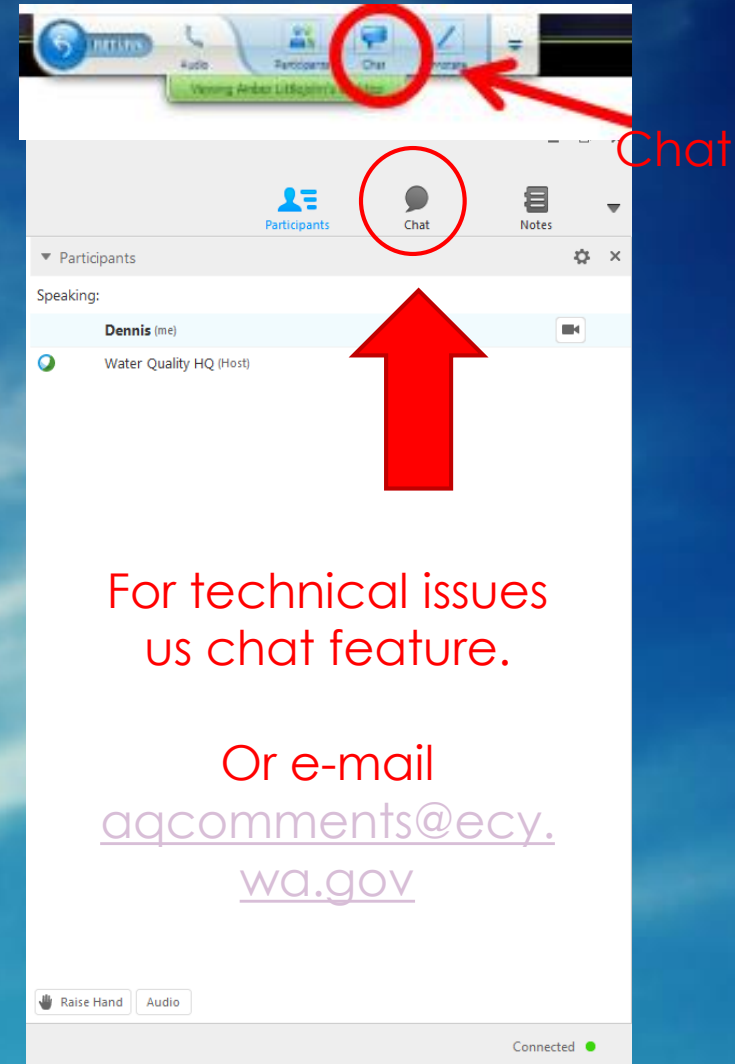
- Webinar is being recorded.
- All lines were muted upon entry.
- Please raise your hand feature to ask a question at the end of the presentation.



Camille St. Onge/Lisa Kean moderators

For technical assistance
use Chat

- Webinar is being recorded.
- Only use chat feature for technical issues.





DEPARTMENT OF
ECOLOGY
State of Washington

Sarah Rees

SPECIAL ASSISTANT ON CLIMATE CHANGE POLICY

A Clean Air Rule in Washington is projected to save \$14.5 billion in economic costs related to climate change

Temperature

- April 2016 was 12th consecutive month of record breaking temperatures.
- 2015 warmest Washington summer on record.

Wildfire

- Extreme climatic conditions have created a hotter and drier landscapes.
- 2015 was the worst wildfire season on record in Washington and wildfires are projected to double by the 2040s.

Drought/Snowpack

- Snowpack is projected to decline as much as 50% in the coming years.
- More droughts are projected.

Timeline

①

ANNOUNCED
RULE MAKING

September 2015

②

FIRST
PROPOSAL

Jan. 6, 2016

③

WITHDREW/MADE
UPDATES

Feb. 26, 2016

Business growth

Strengthen the cap

Recognize efficient
facilities

Power sector

④

SECOND PROPOSAL

June 1, 2016

July 7, 6 p.m., web hearing

July 12, 6 p.m., in-person
hearing - Spokane

July 14, 6 p.m., in-person
hearing - Olympia

July 15, 10 a.m. web
hearing

Overview



Concept



Carbon
pollution is
capped



Carbon pollution
is lowered
over time

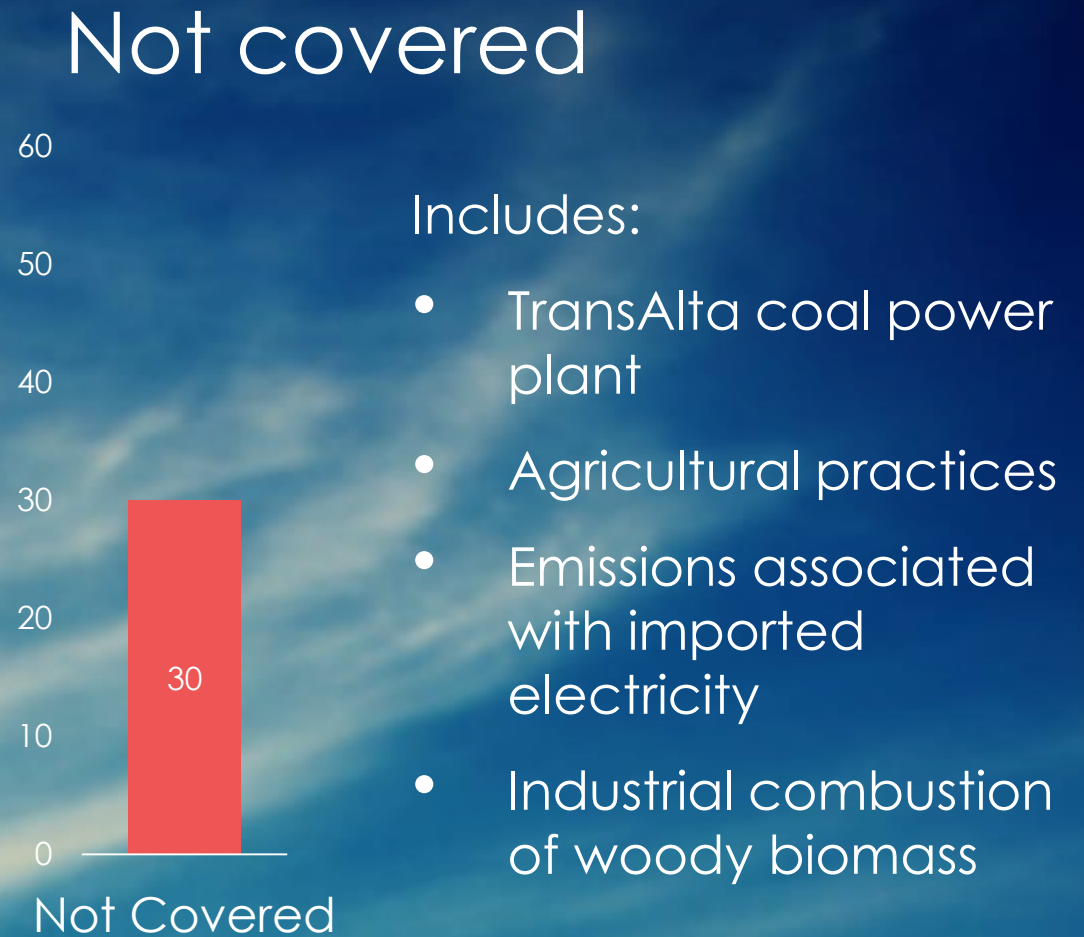
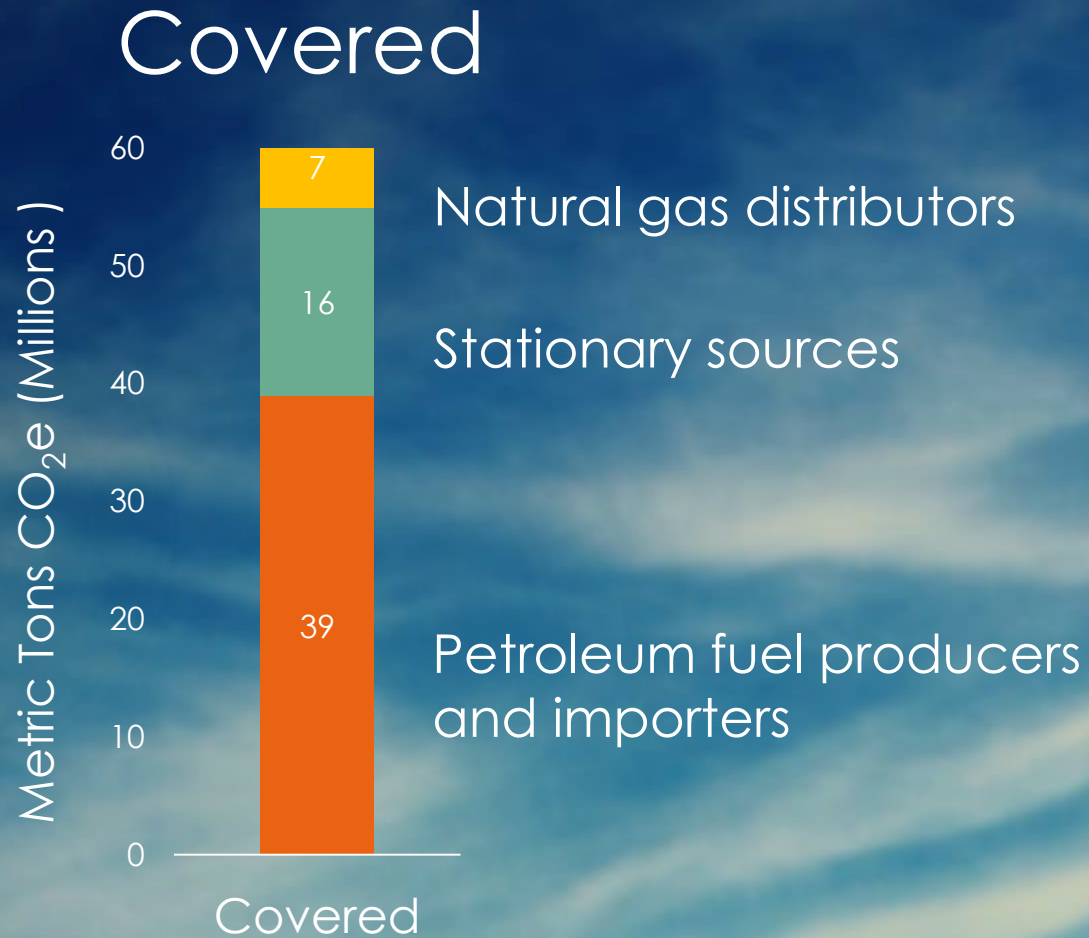


Ecology
verifies
reductions

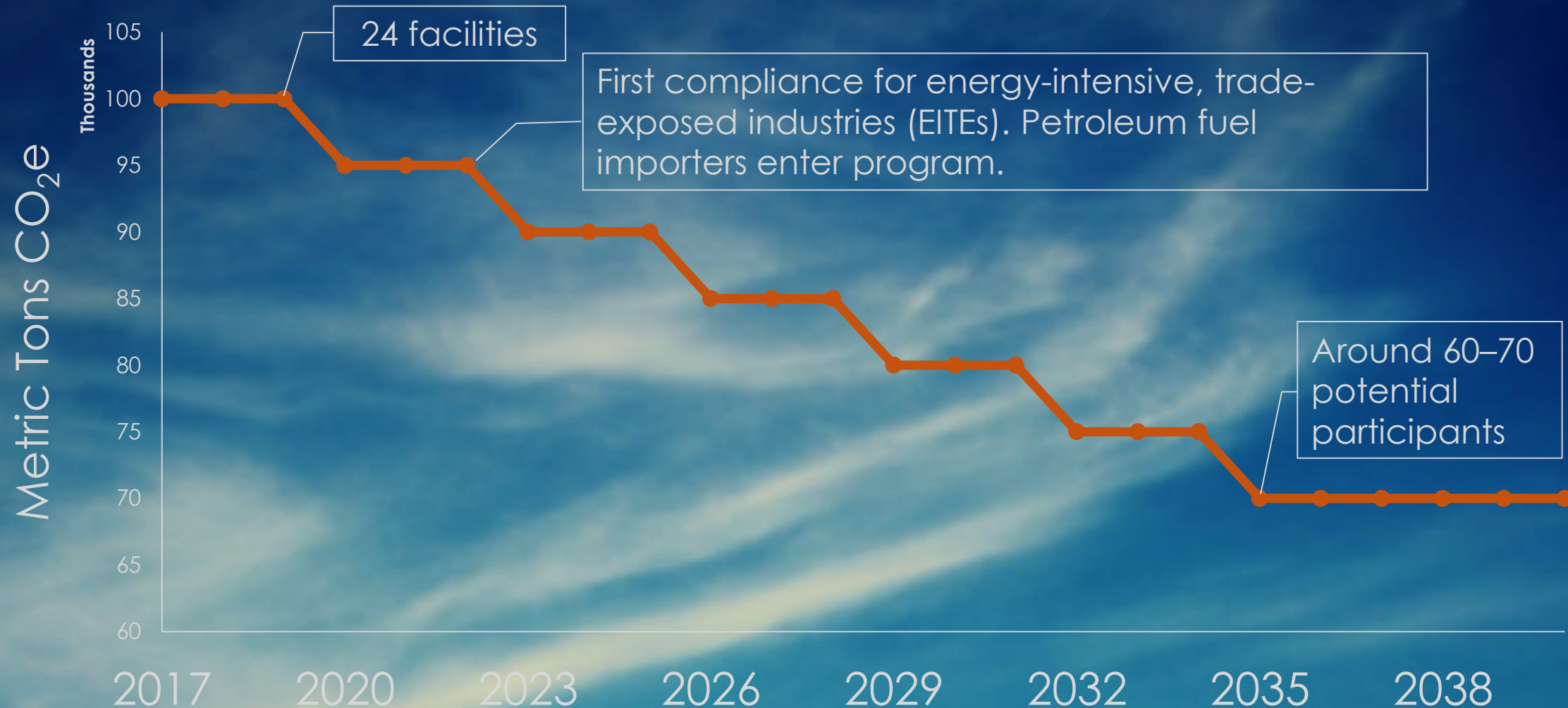


We do our part
to slow climate
change

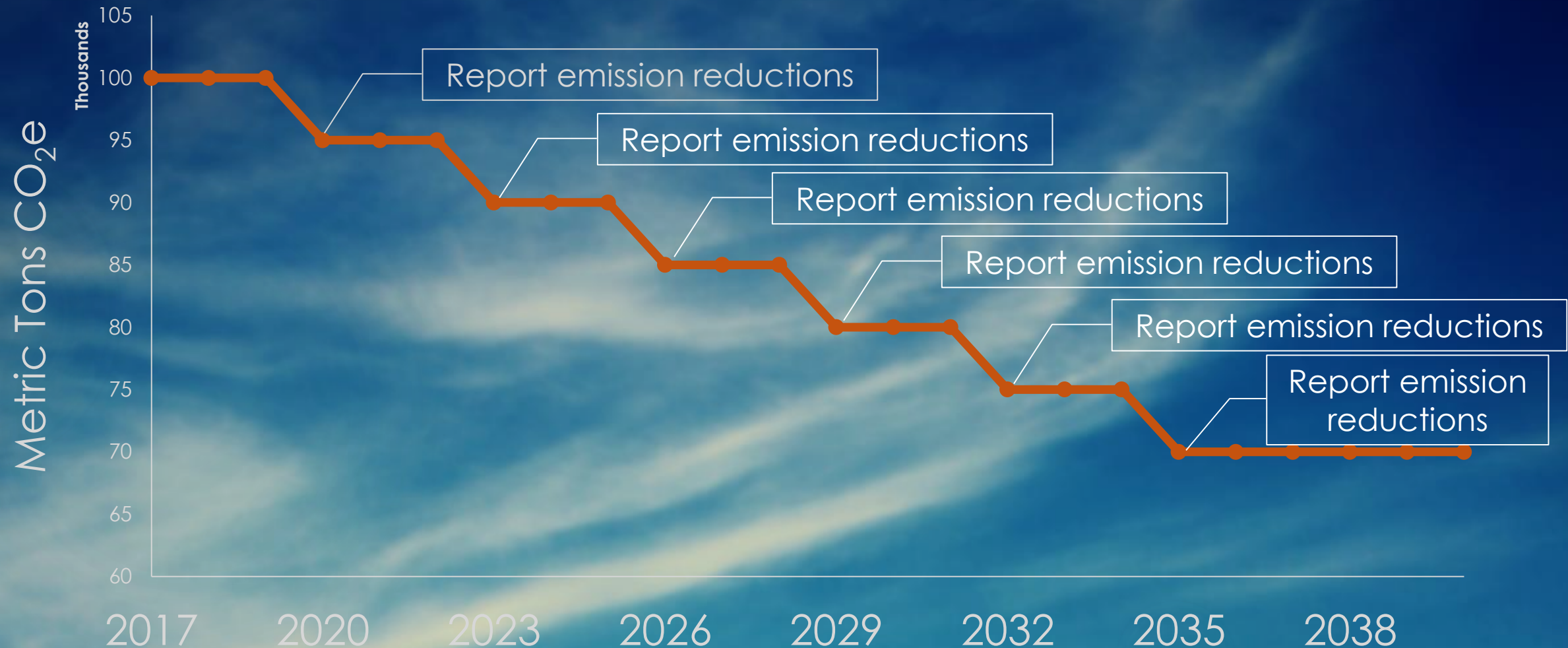
Who is covered by the Clean Air Rule?



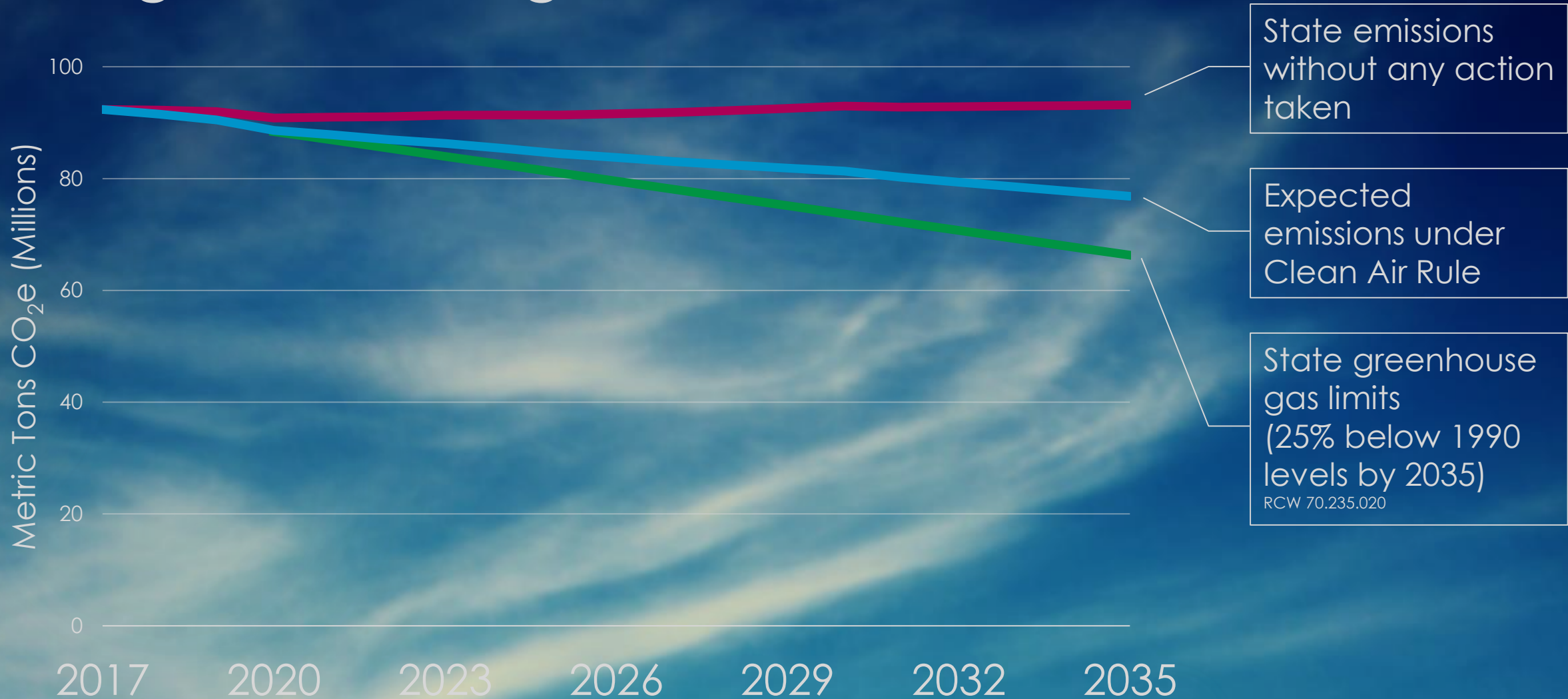
As the threshold lowers every 3 years,
more emitters will be brought into the program



Every 3 years, businesses will need to show they reduced emissions at a rate equal to 1.7 % each year.



Clean Air Rule makes progress towards state greenhouse gas limits





DEPARTMENT OF
ECOLOGY
State of Washington

Stu Clark

AIR QUALITY PROGRAM MANAGER

The background of the image is a photograph of a bright blue sky filled with soft, white, wispy clouds. The clouds are scattered across the frame, with some appearing more dense and others more delicate. The overall tone is serene and clean.

Compliance

3 Ways to Comply

REDUCE EMISSIONS AT FACILITY

On-site reductions through maintenance, changes in industrial processes, energy efficiency investments or other capital investments.

OBTAIN EMISSION REDUCTION UNITS FROM PROJECTS

Businesses covered by the rule or project developers may implement GHG reduction projects, such as dairy digesters, renewable power, or commute trip reduction programs.

1 metric ton of CO₂e reduced beyond requirements = 1 emission reduction unit (ERU)

OBTAIN EMISSION ALLOWANCES

Organizations can buy **allowances** from established, multi-sector markets.

Using projects and programs



Implement a project

Help build a dairy digester

Tap into existing programs

- Commute trip reduction

Use the carbon market

- Buy carbon credits from brokers or project developers



Obtain emission allowances

Allowances from other multi-sector markets

- 100% initially
- 50% by 2026
- 5% by 2035

Registry of carbon credits

Database will assign ID numbers to emission reduction units (ERUs)

ERUS will be tracked as they are generated, used and retired



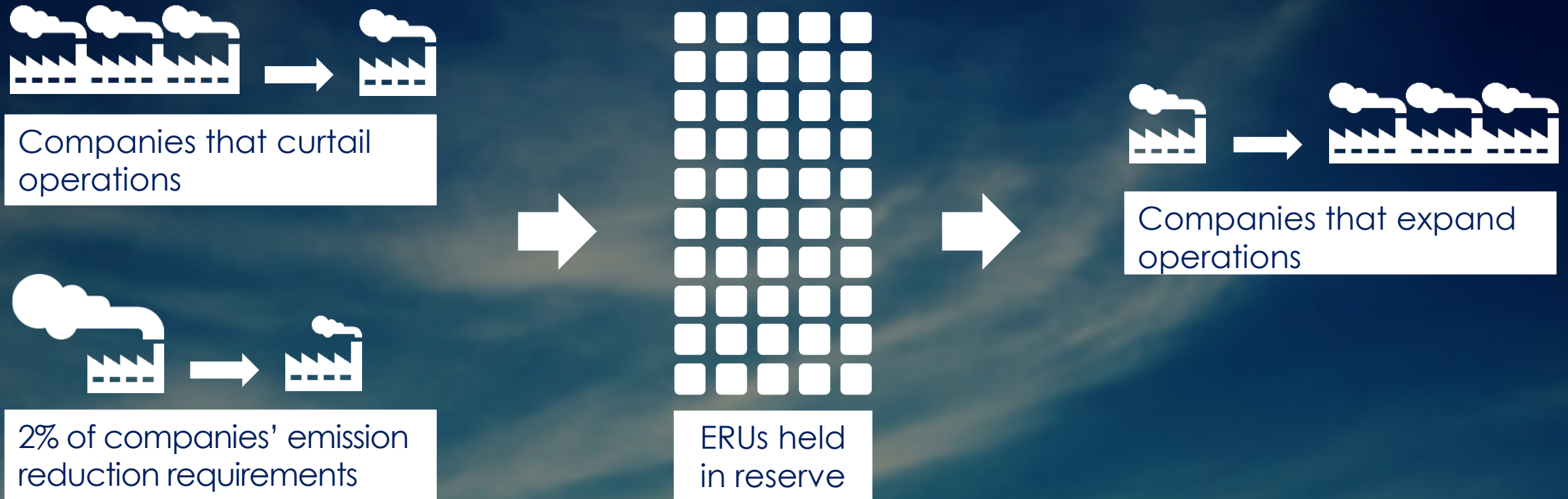
Ecology would administer the database

Third-party verifiers would confirm covered parties have met obligations

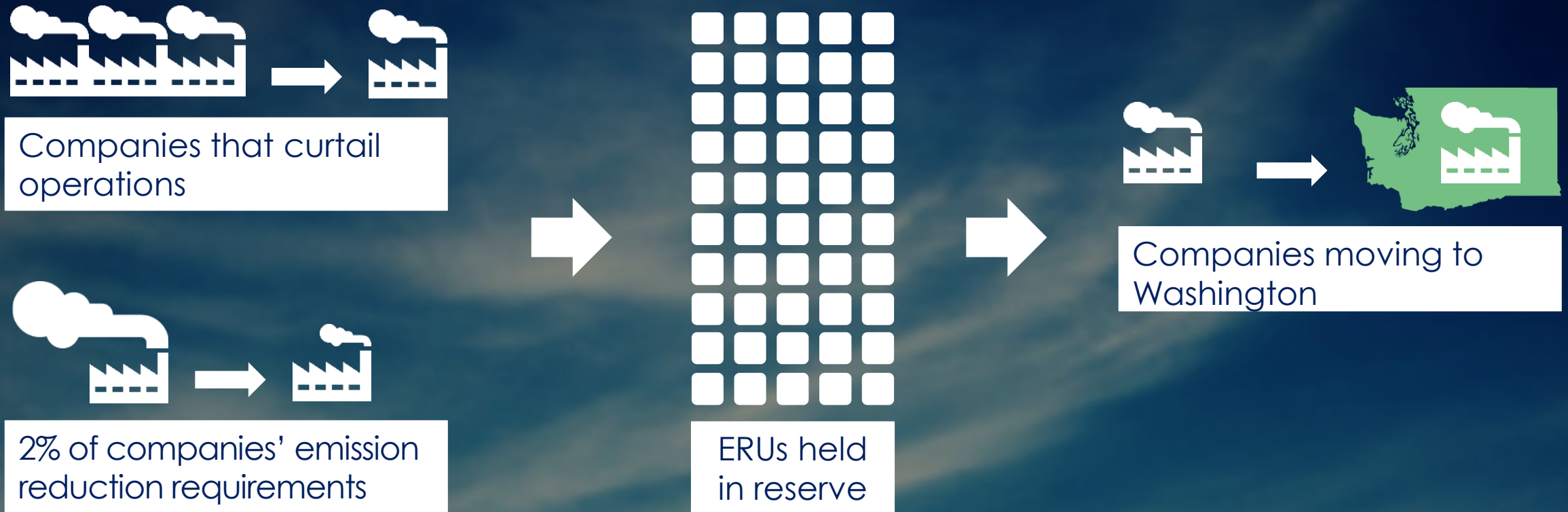


Reserve

Supporting business growth: The reduction reserve



Supporting business growth: The reduction reserve



Supporting business growth: The reduction reserve



Companies that curtail operations



2% of companies' emission reduction requirements



ERUs held in reserve



Companies that have shutdown >>> start back up

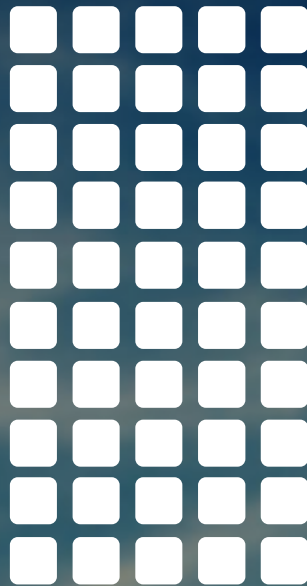
Supporting business growth: The reduction reserve



Companies that curtail
operations



2% of companies' emission
reduction requirements



ERUs held
in reserve



Environmental Justice
Advisory Committee

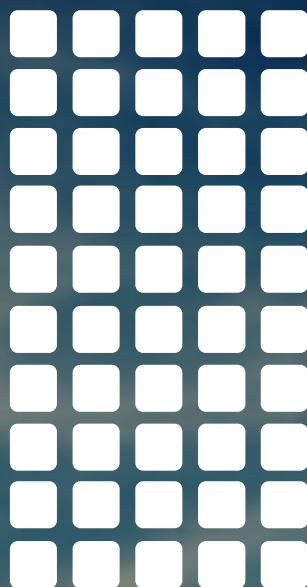
Supporting business growth: The reduction reserve



Companies that curtail operations



2% of companies' emission reduction requirements

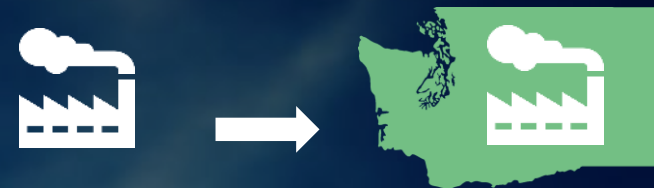


ERUs held in reserve



1

Companies that expand operations



2

Companies moving to Washington



3

Companies that have shutdown >>> start back up



4

Environmental Justice Advisory Committee



EITEs

ENERGY-INTENSIVE, TRADE-EXPOSED INDUSTRIES

Keeping energy-intensive, trade-exposed industries (EITEs) in Washington

①

SET AN
EFFICIENCY
BASELINE

②

SORT INTO 1 OF 3
TIERS BASED ON
COMPARISONS WITH
NATIONAL PEERS

③

SET EMISSION
TARGETS

④

SET EFFICIENCY
METRIC REDUCTIONS

Recognize early actions to reduce carbon pollution

①

SET AN EFFICIENCY BASELINE

Average of their 2012–16 emissions
divided by average of 2012–16
production

Recognize early actions to reduce carbon pollution

②

SORT INTO 1 OF 3 TIERS BASED ON COMPARISONS WITH NATIONAL PEERS:

- Less efficient
- Average
- More efficient

Set efficiency based performance standards

③

SET EMISSION
TARGETS

Efficiency baseline multiplied by average of 2017–19 production

baseline efficiency
factor
e.g. 1.5

×

3 year average
annual production
e.g., 100,000 tons

=

Reduction target

150,000
MTCO₂e



Set efficiency based performance standards

4

SET EMISSION
TARGETS

Efficiency metric multiplied by average of 2020-23 production

increased efficiency
factor
e.g., 1.425

×

3 year average
annual production
e.g., 100,000 tons

=

Reduction target



Keeping energy-intensive, trade-exposed industries (EITEs) in Washington

①

SET A BASELINE
EFFICIENCY
METRIC

Average of their
2012–16 emissions
divided by
average of 2012–
16 production

②

SET EMISSION
TARGETS

Efficiency
metric
multiplied by
average of
2017–19
production

③

SORT INTO 1 OF 3
TIERS BASED ON
COMPARISONS WITH
NATIONAL PEERS

More efficient

Average

Less efficient

④

SET EFFICIENCY
METRIC REDUCTIONS

Efficiency metric is
tightened every 3
years, based on tier.
More efficient facilities
tightened less.

Power plants

The background of the slide features a silhouette of several high-voltage power line towers and their associated cables. The scene is set against a sky that transitions from a deep blue at the top to a warm orange and yellow at the bottom, suggesting a sunset or sunrise. The overall tone is somber and industrial.

IF THE EPA'S CLEAN POWER PLAN GOES INTO EFFECT:

- Power plants in Washington will comply under the Clean Power Plan.

IF THE EPA'S CLEAN POWER PLAN DOES NOT GO INTO EFFECT:

- Power plants in Washington will follow Ecology's Clean Air Rule.

Hearings and comments

In-person hearings

Tuesday, July 12, 2016

6 p.m.

The Davenport Grand Hotel
333 W. Spokane Falls Blvd
Spokane, WA 99201

Thursday, July 14, 2016

6 p.m.

The Red Lion Hotel
2300 Evergreen Park Dr SW
Olympia, WA 98502

Webinars

Thursday, July 7, 2016

6 p.m. – register online

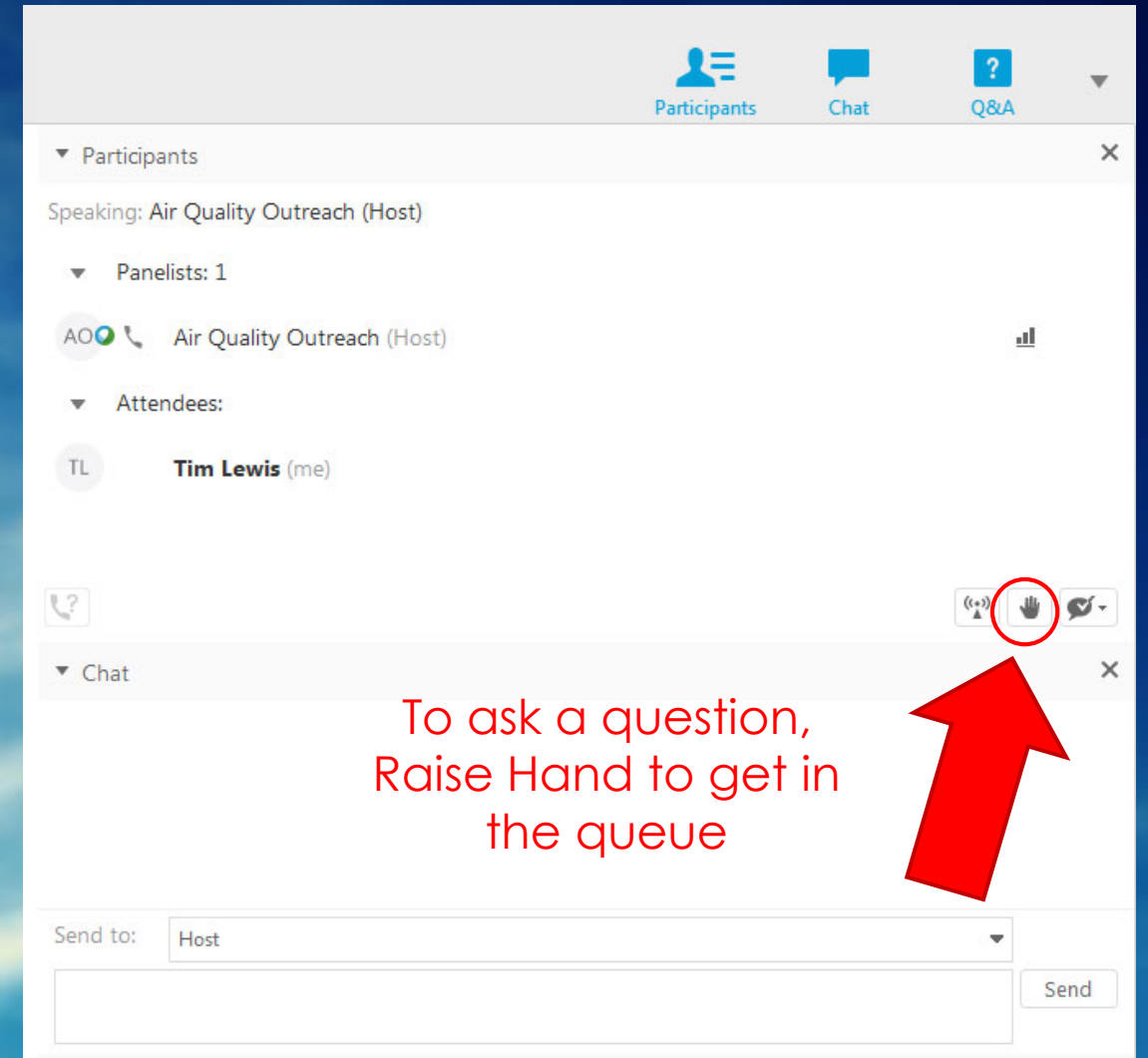
Friday, July 15, 2016

10 a.m. – register online

Comments due by July 22.

Moderators: Tim Lewis | Lisa Kean

- Webinar is being recorded.
- If you would like to ask a question, please raise your hand now so we can give you access to speak
- You will be muted on entry
- We recommend the “Call Me” option once you have access



The screenshot shows a webinar interface with a top bar containing icons for Participants, Chat, and Q&A. The 'Participants' panel is open, showing the current speaker as 'Air Quality Outreach (Host)'. Below this, there is a section for 'Panelists: 1' with 'Air Quality Outreach (Host)' listed. Under 'Attendees', 'Tim Lewis (me)' is listed. At the bottom of the participants list, there is a row of icons: a question mark, a hand icon (circled in red), and a speech bubble icon. A large red arrow points from the text 'To ask a question, Raise Hand to get in the queue' to the hand icon. Below the participants list is a 'Chat' panel with a 'Send to:' dropdown set to 'Host' and a 'Send' button.

To ask a question,
Raise Hand to get in
the queue